Commission is void because of its abuse of discretion in denying the motions for an order requiring that the original cost study be supplemented by a further and more detailed study which would reflect conditions in 1932 and in denying the petition for reopening the proceedings or reargument for reconsideration of the effect to be given the cost study. (2) The order is not supported by the findings. (3) Certain essential findings are not supported by evidence. (4) The order is too indefinite to be applied.

1. The alleged abuse of discretion by the Commission is not that it refused to consider the contention of appellants as to the sufficiency of the cost study in the light of the facts relied upon, see *Atchison, Topeka and Santa Fe Railway Co.* v. *United States*, 284 U. S. 248, but that it decided these contentions wrongly. There can be no serious doubt that the cost study faithfully represented conditions obtaining during the periods in 1926-1927 selected for study. It was characterized by the Commission as "perhaps more exhaustive" than any previously undertaken in proceedings involving switching charges. To the seven carriers of the thirty-five serving the District, originally chosen for study during selected periods, eight others were added on the initiative of the Commission. A request of certain of the appellants that the Chicago Junction Railway be included in the study was denied, the Commission pointing out in both reports that because of the short hauls on this line it did not regard the traffic as representative. Appellants urge specifically that if all the lines in the District were not to be included, this line should have been, in order to make the study fairly representative; but the Commission considered the issue of fact so raised and decided to the contrary.

The principal contention is that conditions since 1927 have so changed that a new study should be made. The changes emphasized are (1) falling off in volume of traffic, (2) improvement of highways in the District resulting in diversion of traffic from the rail lines for movement by truck; (3) the decline in value of many of the articles transported; (4) reduction in wages and cost of supplies; and (5) curtailment of the amount of service rendered by carriers to industries within the District. In considering these changes on the basis of the data already in the record, the Commission pointed out that they had resulted in increased unit costs because unaccompanied by a corresponding or proportionate decrease in operating expense. It also concluded, upon the basis

of data before it, that in view of the improvement of highways and trucking facilities and other changes in conditions affecting traffic the Commission could not, even though it were its duty to do so, provide a rate which would enable the railroads to compete successfully with trucking movements, by which the traffic had been diverted. The Commission decided that, on the record before it, it was able to consider the effect of the factors suggested by appellants and that a new cost study was unnecessary.

Whether or not the cost study was representative, whether the study should have been more refined, and whether it should have been supplemented as appellants desired, are questions of fact, the determination of which is within the competence of the Commission. The Commission reached its conclusion after full hearing and thorough consideration of all questions presented. As the record affords a sufficient basis for the Commission's determination, it is not subject to review in the courts. See *Manufacturers Railway Company* v. *United States*, 246 U. S. 457, 481; *Assigned Car Cases*, 274 U. S. 564, 580.

2. The Commission's findings are to be read in the light of traffic conditions, fully disclosed in the evidence and described in the Commission's report. The Chicago Switching District comprises an area of more than 600 square miles, served by thirty-five railroads, which maintain there more than 5,000 miles of track, serving 4,000 private industries. The District is essentially a unit, so far as switching movements are concerned. Interstate and intrastate traffic are commingled in switching movements and handled in the same manner indiscriminately, often in the same trains and by the same crews. As already noted, the movements have no relation to main line hauls, are chiefly between local industries, involve a complete service originating and terminating within the District, a loaded and empty car movement, and two complete terminal services.

In the original proceeding, no party took the position that a rate should apply on intrastate traffic within the District different from that applied to interstate traffic, the only substantial issue being whether the rates finally adopted and applied to interstate traffic were too high. In the second proceeding, after considering and stating at length the evidence showing the effect upon interstate commerce of the lower rates prevailing upon intrastate traffic of the same general character, and the probable effect in an in-

creased return to the carriers if the intrastate rate were raised to the interstate level, the Commission found that the transportation conditions throughout the Chicago Switching District are substantially similar; that they are no more favorable to interstate movements than to intrastate movements within the District; that the established interstate scale of rates was reasonable and not shown, when applied intrastate, to have or cause any undue preference and advantage to the persons or localities in intrastate commerce, or any undue preference and advantage to persons and localities in interstate commerce; that the lower intrastate rates had resulted and would for the future result in unjust discrimination against interstate commerce. The report dealt at length with the evidence showing probable increase in revenue which would result if the intrastate rates were raised to the interstate level; comparisons based on the recorded traffic in 1926 and in November, 1931, and January, 1932, indicated a loss of revenue by the maintenance of the lower intrastate rate in excess of $1,000,000. These findings, which are supported by detailed subsidiary findings in the report, are ample to support the order. *Florida* v. *United States,* No. 342, *supra.* They disclose no such defects as were found in *Florida* v. *United States,* 282 U. S. 194, or urged in *United States* v. *Louisiana, supra.*

Specific objections to the sufficiency of the findings, so far as they are not already disposed of by what has been said, are that there is no finding that the intrastate rates, before the increase, were less than maximum reasonable rates, and there was no finding which separated interstate and intrastate property, revenues and expenses of the carriers so as to make it possible to compare revenues with cost for the two classes of traffic considered separately. But these objections, and others which we need not stop to consider in detail, leave out of account the nature of the traffic and the significance of the principal and subsidiary findings showing that the conditions throughout the District were substantially the same for both classes of traffic, which were handled in the same manner. The inquiry in both proceedings was directed to the commerce of the District as a unit. The decision in the first proceeding, that the increase in interstate rates was reasonable, was made in the hope that the state commissions would bring intrastate rates into harmony. When they failed to do so, the Commission reaffirmed its finding that the new interstate rates were reasonable

and found that the intrastate rates must be raised in order that the intrastate traffic may bear its fair share of the revenue burden. It is plain from the nature of the inquiry that the rate level, to which both classes of traffic were raised, was found reasonable on the basis of the traffic as a whole. Where the conditions under which interstate and intrastate traffic move are found to be substantially the same with respect to all factors bearing on the reasonableness of the rate, and the two classes are shown to be intimately bound together, there is no occasion to deal with the reasonableness of the intrastate rates more specifically, or to separate intrastate and interstate costs and revenues. Compare *American Express Co.* v. *Caldwell*, 224 U. S. 617; *United States* v. *Louisiana*, *supra*; *Florida* v. *United States*, No. 342, *supra*.

3. Appellants contend there is no evidence in the record to support the Commission's findings that the prescribed interstate rate was reasonable or that after the increase in that rate the old intrastate rate unjustly discriminated against interstate commerce. Appellants reach their conclusion as to the reasonableness of the interstate rate by disregarding the cost study as evidence because, as is contended, it was erroneously considered by the Commission. But as we have already said it was for the Commission to determine whether the cost study was adequate or whether it was necessary to refine or supplement it in order to make it dependable evidence for the purpose of rate making. The study itself afforded evidence of the reasonableness of the rate fixed, and upon the whole record there was abundant support for the Commission's finding, which was carefully and thoroughly considered in its report. There is no basis upon which the courts, not authorized to weigh evidence, could reexamine or disregard its conclusion.

The increased intrastate rate applied to grain, to which specific objection is made, does not stand on a different footing. This objection is also predicated upon the mistaken assumption that the Commission should have disregarded the cost study and traffic analysis as evidence. It is true that the rates on grain were not included in the all-commodity rate prevailing in the District before the first proceeding was initiated, and were not uniform throughout the District, but the proceeding was reopened by the Commission to investigate the lawfulness of "all rates and charges . . . of all carload traffic" interstate, and their relationship to like rates and charges intrastate. It acted upon a record showing that the

grain moved intra-District, under the same conditions as other commodities, and the Commission had before it evidence showing that the cost of the traffic largely exceeded the revenue derived from the old rates and that a rate on a distance or zoning basis was impracticable.

Similarly, the finding of unjust discrimination against interstate commerce made in the second report rests upon evidence. The effect of maintaining a lower rate, intrastate, than the reasonable interstate rate is necessarily discriminatory wherever the two classes of traffic, inextricably intermingled, are carried on, as in the District, under substantially the same conditions. Compare *United States* v. *Louisiana, supra.* Moreover, it appeared that many of the railroads cannot move traffic between points of origin and destination in Indiana and between points of origin and destination in Illinois without crossing the state line, and thus subjecting the shippers to the interstate rate; that some of the industries are located on both sides of the state line and that some of the assembling yards and interchange tracks overlap state lines. On the other hand, many industries, in preference to a more direct interstate route, resort to intrastate routes to obtain lower rates, although they are so-called "unnatural" routes, against the flow of traffic, and therefore entail additional expense in handling. Evidence to show the extent of the burden upon the carriers' revenues, and the diversion of traffic from interstate to "unnatural" intrastate movements, is found both in the testimony of the carrier witnesses and in exhibits of record.

Appellants recur to their criticism of the cost study and insist that in view of differences between average lengths of haul between intrastate and interstate movements, costs and revenues intrastate and interstate should have been segregated. But this objection is directed not only to the conclusion of the Commission, already considered, that the cost study was representative and dependable evidence, but is based upon the assumption that the Commission should disregard the long history of rates in the Switching District, in the course of which a commodity rate, generally applicable without regard to distance, had been built up through the District, and that upon a review of the evidence we are free to reject the Commission's conclusion that a distance or zone rate should not apply. Upon this subject there was substantial testimony supporting the reasonableness of uniform commodity rates in preference to a distance or zone rate. So far as this objection is of any force it

goes only to the weight of the evidence and not to the want of it. Treating an area as a unit and applying a uniform blanket or group rate within it, as is the common practice with respect to switching rates, is within the competence of the Commission. See *St. Louis Southwestern Ry.* v. *United States,* 245 U. S. 136, 138, Note 1, 141; *United States* v. *Illinois Central R. R.,* 263 U. S. 515, 518, Note 1; *Virginian Railway* v. *United States,* 272 U. S. 658, 660, 664.

4. Appellants contend that the order cannot be applied to certain carriers whose rails extend only into the Illinois section of the District. As in terms it directs that intrastate rates be established on the level of the interstate switching rates maintained by the carriers who are parties to the proceeding, it is said to be inapplicable to those carriers which because they do not cross state lines in their switching operations have filed no interstate switching rates. But we think the order is not to be read so narrowly. It is made applicable to all the carriers in the District and directs that the intrastate ~~shipping~~ switching rates shall be maintained on a parity with the interstate rates "contemporaneously applied by the said carriers". On its face it would seem that the quoted phrase was intended only to describe the intrastate rates maintained by such of the carriers as had occasion to establish interstate switching rates. But if this were doubtful the order is to be read with the report. *Georgia Public Service Commission* v. *United States, supra,* 771; *American Express Co.* v. *Caldwell, supra,* 627. So read there can be no doubt that it was intended to prescribe for all intrastate traffic within the District the same rate as that prescribed for all interstate traffic there, and that interstate carriers whose rails are confined to either state and which for that reason have filed no interstate switching rates are nevertheless required to adopt the prescribed intrastate rate.

Appellants also urge that interstate carriers whose rails reach only the Illinois part of the District cannot be required to remove a discrimination against interstate commerce unless they participate in both the prejudicial and preferential rates, as was said in *Texas & Pacific Railway Co.* v. *United States,* 289 U. S. 627, with respect to discriminations between localities forbidden by § 3 of the Act. But this restriction has no relevance to proceedings under § 13 (4) directed to the removal of discriminatory intrastate rates maintained by state authority. By that section the Interstate Commerce Commission is expressly authorized to prescribe the intrastate rates which will remove the discrimination.

Affirmed.